

**Department of Management and Budget  
Office of Purchasing**

**Report of Proposed Changes in Excess of \$500,000  
To Current Contracts for Computer Software  
Development, Hardware Acquisition, or Quality Assurance**

Sec. 713 of Public Act 528 of 2002

(February 7, 2003)

Questions regarding this report may be directed to Jim Konrad, 517-373-0315

February 7, 2003

**BID TABULATION AND RECOMMENDATION FOR AWARD  
DEPARTMENT OF MANAGEMENT AND BUDGET  
ACQUISITION SERVICES**

**CONTRACT DESCRIPTION:** 071B0000768 Integrated Voice Response System (IVR) for Child Support Enforcement System (CSES) for Department of Information Technology (DIT)

**CONTRACT PERIOD:** 8/2/2000 through 9/30/2003 (3 years and 2 months)

**CONTRACTOR:** **INCREASE**

Govconnect, Inc. \$969,866.00  
Cincinnati, OH 45242

**[ ] Check if contract is extended.**

**DESCRIPTION OF PURCHASE:**

DIT requests to add \$969,866.00 to the contract value for fiscal year 2003 to make the following changes to the IVR system:

Continue and complete the migration from an IVR environment based on multiple distributed county specific databases to an IVR environment supported by a single, statewide database. Convert all existing voice/database servers into voice only servers. Develop and implement script changes consistent with centralization, call transfer functionality, and MICSSES 2.4. Develop and implement an IVR test environment to support multiple concurrent county conversions. Secure additional contract spending authority for continued operations and enhancement of the IVR system through fiscal year 2003.

**FUNDING:** 66% Federal, 34% General Funds

**PRICE CLAUSE:** Prices shall remain firm for the duration of the contract.

**CS-138:** #191S0002070

**ORIGINAL CONTRACT AMOUNT:** \$1,660,040.00

**CURRENT CONTRACT AMOUNT:** \$3,620,891.00

**PROPOSED AMENDMENT INCREASE AMOUNT:** \$969,866.00

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND ORIGINAL  
CONTRACT AMOUNT: 58%**

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND CURRENT  
CONTRACT AMOUNT: 27%**

**ESTIMATED 03 FISCAL YEAR INCREASE: \$969,866**

**NEW TOTAL CONTRACT COST: \$4,590,757.00**

☒ Check if > \$500,000 for software development, computer hardware acquisition or quality assurance?

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**INFORMATION BELOW THIS LINE FOR INTERNAL USE ONLY**

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**Buyer Signature**

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**Manager Signature**

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**Division Director Signature**

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**Acquisition Services Director Signature**

February 7, 2003

**BID TABULATION AND RECOMMENDATION FOR AWARD  
DEPARTMENT OF MANAGEMENT AND BUDGET  
ACQUISITION SERVICES**

**CONTRACT DESCRIPTION:** 071B7000407 - Data Exchange Gateway - Department of Information Technology

**CONTRACT PERIOD:** 3/1/97 through 9/30/06 (9 years and 7 months)

**CONTRACTOR:** **INCREASE**

Unisys Corporation \$3,413,420.00  
Okemos, MI

**[X] Check if contract is extended.**

**DESCRIPTION OF PURCHASE:**

This request is for a three year and seven month contract extension and an additional \$3,413,420.00. The purpose is to continue to support the customer's critical business environment utilizing the State of Michigan business partners that have experience with the platform. Unisys has been the provider of the services, maintenance, hardware, and software for the Data Exchange Gateway (DEG) for many years.

The vendor support for the existing K2000 system will expire March 2, 2003. Therefore, it will be necessary to upgrade this critical infrastructure component. The K2000 system is six years old and showing capacity constraints. Since this host is the primary access method for the Department of Community Health's (DCH) Insurance Portability and Accountability Act (HIPAA) claims processing, it is critical to the State of Michigan that this upgrade be processed in a timely fashion, and that the existing contract be extended to be in conjunction with the expected life of the upgraded platform.

The HIPAA system is scheduled to begin testing April 1, 2003, and be fully operational by October 16, 2003. The DCH has an estimated 90 million transactions per year with a volume of 26.69 GB per month.

Lastly, this platform plays an important role in processing large financial transactions for the Department of Treasury and Family Independence Agency.

**FUNDING:** 100% Restricted - IT Revolving Fund - based upon rate usage.

**PRICE CLAUSE:** Pricing shall remain firm for the duration of the contract.

**CS-138: # 97-0701-3889**

**ORIGINAL CONTRACT AMOUNT: \$2,908,885.00**

**CURRENT CONTRACT AMOUNT: \$4,267,848.00**

**PROPOSED AMENDMENT INCREASE AMOUNT: \$3,413,420.00**

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND ORIGINAL  
CONTRACT AMOUNT: 117%**

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND CURRENT  
CONTRACT AMOUNT: 80%**

**ESTIMATED 03 FISCAL YEAR INCREASE: \$555,673.00**

**NEW TOTAL CONTRACT COST: \$7,681,268.00**

☒ Check if > \$500,000 for software development, computer hardware acquisition or quality assurance?

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**Manager Signature**

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